

Message Text

SECRET

PAGE 01 CAIRO 07183 221328Z

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ACTION SS-25

INFO OCT-01 ISO-00 /026 W

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R 221033Z JUL 75

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 5319

S E C R E T CAIRO 7183

EXDIS

E.O. 11652: GDS

TAGS: MASS EG US

SUBJECT: AMC VEHICLE SALES AND PRODUCTION IN EGYPT

REF CAIRO 5676 AND 6538

1. AMERICAN MOTORS COMPANY INTERNATIONAL (AMI) REPRESENTATIVE TODD CLARE TELEPHONED CHARGE ON JULY 18 AND STATED THAT HE HAD SIGNED A CONTRACT WITH THE EGYPTIAN ARMY ON JULY 17 FOR TWO THOUSAND (2,000) JEEPS OF THE LONG WHEEL BASE COMMERCIAL VARIETY. VALUE OF THE CONTRACT IS \$12.5 MILLION.

2. ON JULY 22, GENERAL (RET) LOLLIS OF AMERICAN MOTORS GENERAL (AMG) CALLED ON DCM AND ARMA AND INDICATED THAT AMG HAD COMPLETED THE IN-COUNTRY TESTS OF THEIR PROTOTYPE 5-TON TRUCK FOR EGYPTIAN ARMY. TEST, ACCORDING LOLLIS, HAD BEEN VERY SUCCESSFUL, BUT EGYPTIANS WERE DELAYING SIGNATURE OF CONTRACT OR LETTER OF INTENT. THEY STATE THEY MUST ALSO TEST OTHER VEHICLES BEFORE MAKING FINAL DECISION. LOLLIS BELIEVES THEY MEAN MERCEDES AND DEUTZ. HE ALSO SPECULATES THIS MIGHT BE PLOY TO NEGOTIATE LOWER PRICE.

3. LOLLIS STATED THAT THE TWO AMERICAN MOTORS DIVISIONS, AMI AND AMG, INTEND TO MAKE A COMBINED PROPOSAL FOR JOINT VENTURE FOR ANNUAL ASSEMBLY OF 10,000 JEEPS AND 6,000 TRUCKS IN EGYPT IN LONDON ON JULY 24 AT MEETING IN LONDON OF ARAB DEFENSE INDUSTRY BOARD. MEETING WILL PROBABLY BE ATTENDED BY SAUDI MODA PRINCE SULTAN AND CHAIRED BY ASRAF MARWAN. WHEN QUESTIONED ABOUT NEED TO OBTAIN USG PERMISSION TO ENTER INTO CO-PRODUCTION ARRANGEMENT, LOLLIS

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CLAIMED THAT THIS WAS UNNECESSARY ONCE EXPORT LICENSE HAD BEEN

APPROVED.

EILTS

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Message Attributes

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